

§ 122C-147.1. Appropriations and allocations.

(a) Except as provided in subsection (b) of this section, funds shall be appropriated by the General Assembly in broad age/disability categories. The Secretary shall allocate and account for funds in broad age/disability categories so that the area authority may, with flexibility, earn funds in response to local needs that are identified within the payment policy developed in accordance with G.S. 122C-143.1(b).

(b) When the General Assembly determines that it is necessary to appropriate funds for a more specific purpose than the broad age/disability category, the Secretary shall determine whether expenditure accounting, special reporting within earning from a broad fund, the Memorandum of Agreement, or some other mechanism allows the best accounting for the funds.

(b1) Notwithstanding subsection (b) of this section, funds appropriated by the General Assembly for crisis services shall not be allocated in broad disability or age/disability categories. Subsection (c) of this section shall not apply to funds appropriated by the General Assembly for crisis services.

(c) Funds that have been appropriated by the General Assembly for a more specific purpose than specified in subsection (a) of this section shall be converted to a broad age/disability category at the beginning of the second biennium following the appropriation, unless otherwise acted upon by the General Assembly.

(d) The Secretary shall allocate funds to area programs:

- (1) To be earned in a purchase of service basis, at negotiated reimbursement rates, for services that are included in the payment policy and delivered to mentally ill, developmentally disabled, and substance abuse clients and for services that are included in the payment policy to other recipients; or
- (2) To be paid under a grant on the basis of agreed-upon expenditures, when the Secretary determines that it would be impractical to pay on a purchase of service basis.

(d1) Notwithstanding subsections (b) and (d) of this section, each area program shall determine whether to earn the funds for crisis services and funds for services to substance abuse clients in a purchase-for-service basis, under a grant, or some combination of the two. Area programs shall account for funds expended on a grant basis according to procedures required by the Secretary and in a manner that is similar to funds expended in a purchase-for-service basis.

(e) After the close of a fiscal year, final payments of funds shall be made:

- (1) Under the purchase of service basis, on the earnings of the area authority for the delivery to individuals within each age/disability group, of any services that are consistent with the payment policy established in G.S. 122C-143.1(b), up to the final allocation amount; or
- (2) When awarded on an expenditure basis, on allowable actual expenditures, up to the final allocation amount.

Under rules adopted by the Secretary, final payments shall be adjusted on the basis of the audit required in G.S. 122C-144.1(d). (1993, c. 321, s. 220(j); 2007-323, ss. 10.49(b), (q).)